

# Building Services & Products

## 2024 UK M&A Recap



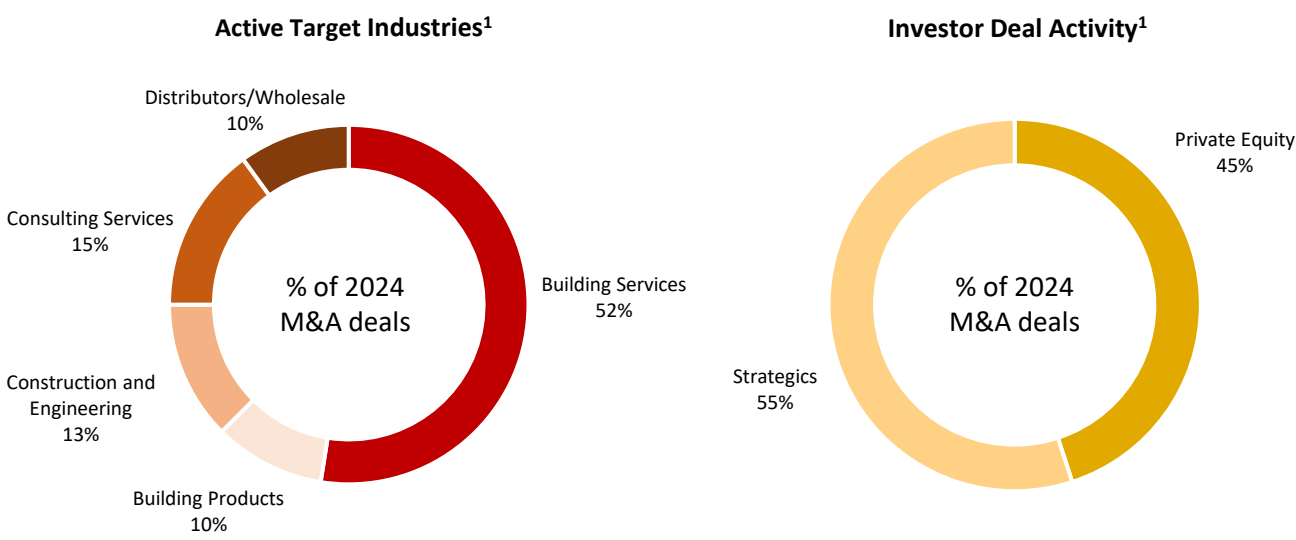
M&A Performance in 2024

Throughout 2024, the building services and products sector has demonstrated resilience, and continues to be a fertile ground for M&A activity. This momentum is driven by regulatory changes, technological advancements, and sustainability initiatives. Investors should expect ongoing consolidation, with a particular focus on acquiring capabilities aligned with emerging trends, such as smart technologies and regulatory compliance.

Deal activity throughout the year has focused on innovations in energy efficiency, decarbonisation, and digital transformation. Companies have focused on strategic acquisitions to improve operational efficiency and meet evolving market demands.

Private equity firms were particularly active in targeting mid-sized businesses with strong innovation and growth potential. However, strategic buyers dominated M&A activity in the building services and products sector, completing a higher number of deals overall as they focused on enhancing their existing offerings and driving long-term value through acquisitions.

The outlook for 2025 in the sector is positive, with expectations of increased M&A activity as economic conditions stabilise. Given the sector's fragmented nature, further consolidation is likely and private equity is expected to remain active in acquiring mid-market firms.

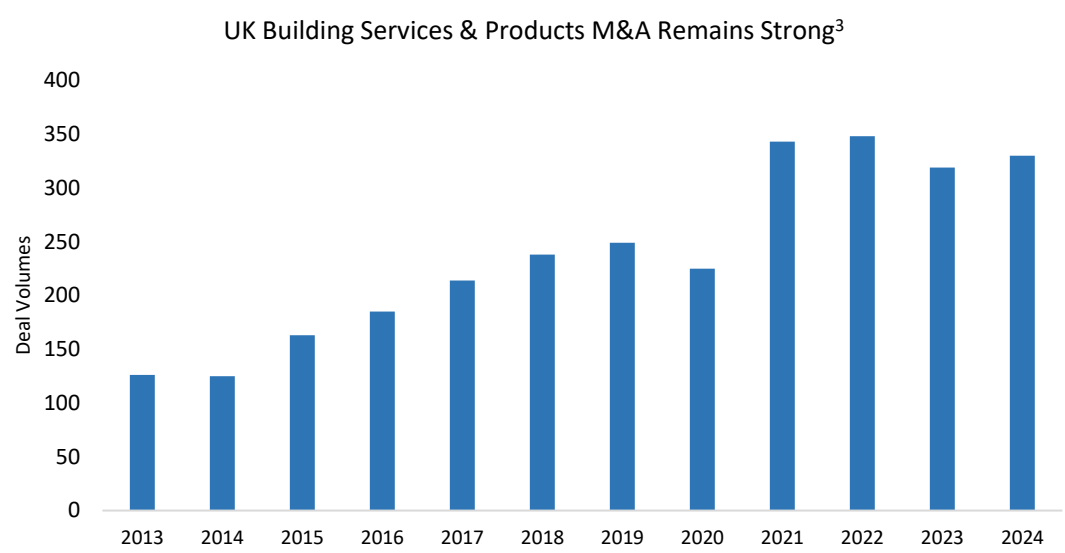


Private equity accounted for **45%** of all deals, reflecting strong investment in the sector

**330** UK M&A Deals

Average listed sector multiple  
**8.0x** EV/EBITDA

**2.1%** expected increase in construction output in 2025<sup>2</sup>



Insights

1.

**Sustainability as a Strategic Priority**

M&A activity in the industry is being driven by the need for sustainable practices and technologies. Companies are targeting acquisitions that offer green solutions, such as energy-efficient building materials, low-carbon technologies, and renewable energy systems. For example, acquisitions in fire safety systems incorporating eco-friendly components or insulation materials with a low carbon footprint are gaining traction. These investments reflect the push to meet tightening environmental and sustainable infrastructure regulations in both residential and commercial markets.<sup>4</sup>
2.

**Innovation Through Digital Transformation**

The integration of digital technology is reshaping the sector, with firms seeking acquisitions that enhance their technological capabilities. Acquiring companies with expertise in building automation, IoT-based management systems, or AI-driven analytics is a priority. For instance, smart sensors that monitor energy use or predictive maintenance systems are highly sought after. These technologies improve operational efficiency and address client demands for smarter services.
3.

**Specialised Growth Opportunities**

Sub-sectors, such as fire safety and smart building solutions, have emerged as key areas for investment activity. These segments are drawing significant M&A interest due to their importance in addressing compliance, safety, and efficiency standards.
4.











**Resilience Amid Economic Challenges**

High inflation and interest rates created a challenging environment, but despite economic pressures, the sector has shown stability, with a focus on essential services. Companies adapted by prioritising efficiency, ensuring they remained competitive and capable of maintaining growth even amid economic uncertainty.<sup>5</sup>
5.

**Private Equity as a Key Player**

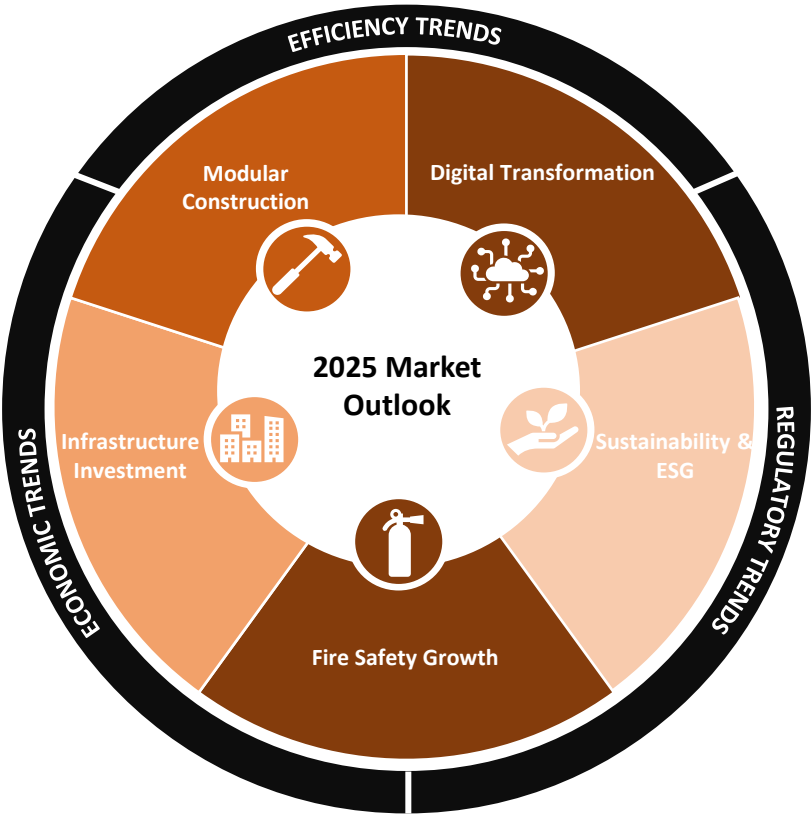
Private equity firms are playing an active role in shaping the M&A landscape, targeting mid-sized companies with growth potential in sustainability and technology. Notably, they are focusing on businesses that address long-term trends, such as green building initiatives and the digitalisation of facilities management. These investments reflect strong confidence in the sector.<sup>6</sup>

2024’s Standout Deals<sup>7</sup>

Date	Target	Description	Acquirer	Deal size
July-24		Johnson Controls’ residential and light commercial HVAC business	 <b>BOSCH</b>	£6.5bn
Aug-24		Provider of HVAC services and installations		£undisclosed
Oct-24		Provider of engineering solutions, testing and maintenance		£undisclosed
Dec-24		Smart meter installation and maintenance		£undisclosed
Dec-24		Provider of technical building services solutions		£undisclosed

2025 Outlook

- The outlook for the building services and products sector in 2025 is positive, driven by demand for sustainable and energy-efficient solutions.
- Modular construction and smart building technologies are also expected to see significant growth.
- M&A activity is expected to accelerate as companies consolidate to achieve economies of scale and expand capabilities in high-growth sectors such as fire safety and green technologies.
- Private equity will remain a strong driver, targeting mid-market firms with potential for scalability and innovation.
- Regional infrastructure investments will provide additional momentum for strategic deals.
- The sector's resilience make it a promising area for investment in 2025.



## Bluebox Case Studies in the Building Services & Products Space

### Electracom Projects acquired by Sauter AG

**Electracom is a leading UK building management company that designs, installs, and supplies smart integrated systems for managing buildings.**

“We are delighted to announce the successful completion of our partnership with Sauter. The collaboration not only enhances our capabilities, but aligns perfectly with our vision for sustainable growth and innovation in the sector. Bluebox were exemplary in their advice throughout the process, and we would have not been able to achieve such a positive outcome without their support. We are grateful to have worked with them and would recommend them to any business owner contemplating their options.”

**Kerry Overman, Managing Director of Electracom**



### FR Consultants acquired by RSK

**FR Consultants is the UK's leading fire safety and façade-risk consultancy, providing a comprehensive service for complete legislation compliance.**

““Having established the FRC business to be a leader in its field, our objective was to identify a strategic partner who could assist us in taking the business to the next level. In identifying and securing a great deal with RSK, Bluebox have done just that. Their experience and guidance throughout the transaction was exemplary. We were extremely impressed from the start with their abilities to identify a broad range of both domestic and International strategic partners, and from there they managed the exercise with aplomb. We are very grateful for their support and we couldn't recommend them highly enough.”

**Dorian Lawrence, Managing Director of FR Consultants**



### Fireco acquired by Lagercrantz

**Fireco is a UK-based manufacturer and designer of state-of-the-art, fire doors, door retainers and mass fire notification systems.**

“Bluebox managed the process excellently from start to finish. Having been highly recommended by our tax advisors, we were impressed with their ability to identify a range of international parties who could take Fireco to the next level. The advice offered throughout was invaluable and they expertly negotiated and managed a transaction with Lagercrantz. We are very grateful for their support and would certainly recommend them to any business owner considering the sale of their private business.”

**James Wheeler, Managing Director of Fireco**



## Contact Us

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The Bluebox team are highly experienced in providing specialised strategic advice to shareholders, entrepreneurs and management teams across all aspects of M&A, raising funds and enhancing a company's valuation. We tailor our approach to fit the specific needs of our clients, ensuring we deliver positive outcomes that build lasting value.

If you would like to discuss any of the matters raised in our paper or are seeking a broader conversation, then please do not hesitate to reach out to Jonathan and the team.



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